

FEDERAL CIVIL DEFENSE ADMINISTRATION
WASHINGTON 25, D. C.

File 100-300000
5-2197

OFFICE OF THE ADMINISTRATOR

Honorable Allen W. Dulles
Director, Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles:

I readily understand how a verbatim intelligence appraisal, regardless of editing, may not be suitable for public dissemination. For this reason I am returning your Mayors' Conference manuscript.

However, a resume with classified matter deleted -- as you suggest -- will be appreciated. We are most anxious to get all of the Conference speeches, or resumes, in the hands of the printer as soon as possible. The demand from mayors for this material is brisk because of their inability to determine what should, and should not, be reported to their people.

Thank you for your attention to this matter.

Sincerely,



Val Peterson

Enclosure

On file OSD release instructions apply.

FEMA review(s) completed.

MR. DULLES: I have asked Gov. Peterson's permission to reverse him on one point. I welcome questions. If I can't or shouldn't answer them, I will let you know very frankly. While I only have 20 minutes to address you, I will try to cut off at least three or four of the minutes at the end so ^{that} if there are any questions you can put them to me. I may be seeing some of you this afternoon at the White House, and we can get together there, possibly, if there are any more.

The job of the Central Intelligence Agency is to try to ferret out facts and present those facts to the policymakers of Government. It is not our job to say what should be done with the facts. It is merely our job--and that is a hard enough one--to try to find out what the facts are.

When you are dealing with Russia, sometimes the best you can do is to come up with an educated guess, based on inadequate facts, and an estimate of what they have done in the past.

In that connection--and this is more from the point of view of your particular functions as Mayors of our great cities--the Soviets are able to learn a great deal more about us than we are about them. We publish the essential facts of our situation to the world. We tell the world where our installations are, where we are making this and that. We give them a great deal of information. In fact, I think we give them probably too much, but it is a very difficult problem. When you have to decide between the maintenance of our freedoms, our freedom of the press and our other freedoms, and possibly disclosing more information than an intelligence officer would like to see disclosed, I can quite understand that ~~make~~ our freedoms are much more important. If we start to abridge them in any respect, it is hard to tell where we will end.

To turn briefly to the position of the Soviet Union as we see it. When Stalin died, early last spring, a change came about in the Soviet Union; but that change, in our opinion, has not affected its basic foreign policy. The change was largely internal. We had not realized--and not until Stalin's death did we realize--the extent to which that old dictator had really taken hold of the country and of all ^{its} ~~the~~ people, ~~there~~ and ~~back~~ forced it into a pattern ^{which} ~~that~~ was not ^{one} ~~a pattern~~ that the other leaders ~~of~~ the Kremlin liked. When Stalin was buried, he was really buried. ~~One~~ One of the extraordinary things is the extent to which his successors have buried his memory. There has been very little mention of Stalin. The Lenin line has been disinterred and brought out again; the Stalin line has been pretty well interred.

Stalin had frozen the Soviet internal policy into a rigid framework--and the framework is still rigid enough. He had set so rigid a framework that the people themselves were beginning to feel impatient. He had frozen their foreign policy ^Y ~~is~~ into a rigidity ^{which} ~~that~~ even men like Molotov did not like. They blamed Stalin for the break with Yugoslavia. They probably blamed Stalin pretty largely for the war in Korea and for many other ^{ruthless aspects of his} ~~rigid actions in~~ foreign policy. So when he disappeared, they decided to change certain features of their system. That does not mean, as I said before, that they have relaxed to any great extent. They have, however, ^{in agriculture} ~~in agriculture~~ taken a new look at the ^{agricultural} ~~situation~~. They have clamped certain restrictions on the internal police. Beria's dismissal and execution is undoubtedly due to the fact that they wanted to curb the secret police. They more or less put a sign up: "Don't walk on the

grass; ~~but~~ if you walk on the path, we won't worry you so much." In the other days, you never could tell--you might be walking on the path and still you find yourself in jail.

They also found apparently that they weren't giving their people enough ~~from the point of view of~~ consumer's goods, and they are making a real effort now to give them more. One of the interesting things that we have to watch is as to what extent, if at all, that will force them to cut down on their production of munitions and war material. So far we have seen very little sign of ~~any~~ reduction. They have been using recently (quite a little of their gold) to buy consumer's goods in the foreign market. You may have seen [in the papers] [reports] of sale of Soviet gold. That is going on; the gold sales of the last three or four months have gone up quite spectacularly, largely, we think, so that Russia can buy consumer's goods in the market.

We believe that the military now exercise greater authority in the Soviet Union than they did before Stalin's death. It is hard to prove that, but the execution of Beria, who was the artisan of ~~putting in~~ ^{the} political commissars in the Army, is one of the reasons for ~~our~~ ^{that} belief, ~~in that~~ respect.

We see no signs, however, of a change in their foreign policy as far as objectives are concerned. They are more flexible. Fraternization is on. The Russians are perfectly willing now to mix--where they never would before--with the foreigner. They are trying to give outwardly a more flexible, a more amenable air; but when it comes to the hard question as to whether they will make any concessions, either in regard to Europe

or as regards a treaty in Korea, we find no change whatever in the fundamental attitude of their negotiators. The result is that we see no reason to relax as far as we are concerned. The ^{present Soviet} policy in fact is more astute and a good deal cleverer, because ~~the present policy of the Soviet~~ ^{it} plays ~~into~~ ^{into} the neutralist tendencies of many countries of the world, particularly countries like India, ~~and those~~ ^{and those} countries in Southeast Asia, and to certain people even on the Continent of Europe, especially in France and in Italy.

Regarding Soviet intentions, it is our view that the ~~Soviet~~ ^{USSR} does not now desire to provoke a hot war. They could stumble into one. They might ^{mistakenly} feel they were ^{being} crowded into one, but we do not feel, looking over the next couple of years, that the Soviets desire deliberately to provoke, or by surprise attack to initiate, a hot war ~~within that period~~. It is hazardous to predict for a longer period. ^{But} ^{to} They are doing well in the cold war. ^{Must they} They have prospects for further successes in the Far East, particularly in Indochina. ✓

They are also building up their atomic stockpile to formidable size, and they are ~~constantly~~ improving their long-range bomber fleet—~~and~~ I will speak of that a little later.

The Soviet has such inherent military strength that it wouldn't be safe for us to let our guard down. They have a great advantage, of course, in having a central position from which they can strike out in various directions, protected by their great land mass, ~~the Soviet Union~~, including Siberia, and ~~also~~ flanked by their satellites. One of the reasons for their keeping a tight hold on the satellites is to protect the Soviet heartland. That makes them, as history has shown, in the long run relatively invulnerable to land attack, and presumably therefore only

vulnerable to air attack. They have a very large standing ~~Army~~. Probably the Soviet ~~Army, plus their security troops. I should say~~ military forces--Army, Navy, and Air Force--^{plus security troops,} would be around 4.5 million. There ^{are} ~~is~~ an additional ^{3.5} million in China and about ^{1.5} million in the satellites, making a military force--Army, Navy, Air Force, and security forces--of around ^{ten} million in the Soviet orbit, *if you include the North Koreans.*

To turn to a point even more interesting from your angle--their Air Force: Total numbers are probably very misleading. They have a long-range bomber force based on the B-29 that they obtained from us during the war, ^{and} probably somewhat improved. We would estimate that they have between 1,000 and 1,500 of these medium bombers, called the TU-4. Their total range stripped down would ^{probably} be 4,000 to 4,500 miles ^{probably}. That would mean that these bombers are capable on a one-way mission of reaching almost any important point in the United States. Those of you who live in the tip of Florida, ^{or the} southern part of Texas, probably have a little more immunity than those living in the other parts of the country. But, by and large, assuming they did not care whether the planes got back or not, they could reach any part of the United States--practically any part of the United States. They ^{do} ~~have~~ not yet ^{have} significant numbers of heavy bombers which could get to the United States and ~~get~~ back to their bases. Of course, with refueling--and we must assume that they have the ^{ability} ~~power~~ to refuel--they could reach a good part of the United States and, presumably, get back. They could not reach all of the United States; and refueling in a long-range mission of this kind--particularly two-way refueling--presents serious difficulties. One refueling presents ^{just} ~~not many~~ difficulties, assuming they have the techniques that we have.

We have felt that in the scientific and technical field, it is not safe for us to assume that we can do things they can't do. There is nothing wrong with the Russian brain. When they put their mind to it, with the help they have received from the scientists they have acquired from other countries, ^{or} ~~and~~ stolen from other countries, particularly Germany, they have the technical ability in any particular field. Where it comes to aircraft, engines for MIG aircraft, radar, and ~~what they have done in~~ the thermonuclear field, they have in many respects surprised us by the speed and skill with which they have ^{obtained} ~~reached~~ results ~~that~~ we had hoped they would not reach. So in general we assume--and must assume to be safe, ² certainly, in the Central Intelligence Agency--that they can do what we can. ~~can.~~

Where it comes to mass production, where it comes to the technical skills--right down the line--where it comes to doing what we do in our automobile and our other factories--no, I don't think they can do ~~that~~, because by and large, taking the Soviet citizen from top to bottom, the level of intelligence of the American and of many ~~of the~~ Europeans is higher. The educational standards in the Soviet Union are ~~increasing~~, ^{improving}, and if you can give them a long time, they may ^{attain} ~~reach~~ the proficiency ~~that~~ we have now reached. I think our great superiority lies in the character and ability of the American citizen from top to bottom, ^{but} ~~that~~ we should not count very largely on a great technical superiority ~~merely~~ in the scientific field.

That was a little aside, as I was dealing with the aircraft situation, but I tried to make clear on ~~the bomber situation~~ ^a one-way mission, ~~one~~ can reach practically any target in the United States. Now, as to whether

they can get through our defense, you will hear about that from Gov. Peterson and others, because my problem is looking at the Soviet Union and not looking so much at what we can do in the way of a counterattack. Whether they would risk their planes on suicide missions of this kind, whether they would not prefer to wait, if they are going to attack, until they have the long-range bomber ~~that~~ we ~~now~~ believe they are starting in production and may have in a couple of years--that is a question ~~that~~ I cannot answer today. But we are inclined to think that ~~certain~~ ^{of the} reasons which would lead them not to attack at the moment would be the fact that they do not have long-range bomber capacity ~~that they could~~ ^{to reach} ~~come to the United States and go back and also, as I will come to later,~~ ^{return. Also, and this}

they ~~certainly~~ presumably would desire to increase their stockpile of atomic weapons before they made the attack, if they had the choice, unless they felt they ^{had been} ~~were~~ ^{into} forced ^{into} a situation where they had to attack.

We know they have the MIG-15, an excellent plane for defense. They have that in mass production, and they have quite a lot of them. They have a good light bomber, jet bomber; the TU-4 ~~that~~ I mentioned before is a ^{propeller-driven} ~~prop~~ bomber ^(propeller). The IL-28, ^{the light bomber,} is only available for shorter missions. The ^{strength} ~~force~~ of the Navy lies chiefly in ^{its} ~~their~~ large submarine force, and ⁱⁿ a certain number of good cruisers. They have no aircraft carrier at the moment, and they only have a few obsolete battleships. They have developed their submarines and they have developed their cruisers, both light and heavy.

On the atomic side, the President the other day in his speech at the UN gave you the essential facts, and I won't repeat what he said there. They have had some tests. They have produced atomic bombs. We believe they have a substantial stockpile of atomic bombs of various types.

They have produced at least a prototype bomb with thermonuclear reaction, indicating the possibility that they have or will shortly have weapons with a very high ~~amount of~~ explosive power.

We have some ideas about their stockpile. Naturally, we keep those ideas secret, just as we keep our own stockpile secret. But, if they were forced into a situation where they felt it was necessary or desirable to attack the United States, and if they could get their bombs through, it would be unsafe to assume that they could not put on us a substantial load of atomic bombs. I don't think they have the kind of stockpile they would like to have to make that sort of attack, but it would not be safe for us to assume that they do not have very serious potentialities, immediately, in that field.

I noticed some questions ~~that were~~ submitted by several of the Mayors from California, in which they ~~also~~ raised the question of bacteriological warfare. Our general view on that is this: Where you have a choice of weapons, you choose the weapon ~~that~~ you think is most destructive. We believe that at the present time, if they had a choice of carrying an atomic weapon or a bacteriological or gas warfare weapon, they would choose the first—that is, the atomic. We should not, however, let our guards down as to the possible developments ~~both in the bacteriological and in the field of~~ ^{fields of} chemical warfare.

To back their defensive system, the Soviets are developing economic strength. Their gross national production has been increasing very rapidly, ~~over recent years~~ ^{seven or eight} at the rate of ~~about 7 or 8~~ percent per annum over the last four years. That will probably level off. ~~On the military side~~ They devote to military purposes ^a much larger proportion of their industrial production than we do. They don't go in so much for refrigerators,

automobiles, and so forth. They go in for planes and tanks instead. ^{for example:}
~~I have one or two examples here.~~ Take electronics, [^] We believe about 90 percent of their work in electronics goes ~~into~~ the military, ~~side,~~ whereas with us it is only about 37 percent—and that is rather typical.

I mentioned that in the agricultural field they were having certain difficulties, and they have had to admit that in certain sectors of ~~their~~ agriculture they have made really no progress, as far as production is concerned, ^{over} ~~from~~ the days before World War I.

I said at the beginning that we thought it was unlikely that they would deliberately choose war at this time. One of the reasons for reaching that conclusion is that they are quite successful with certain techniques ^{now using} ~~that they are carrying on~~ the policy of divide and penetrate. [^] ~~With their phony peace offensive~~ ^{is an attempt} ~~they are trying~~ to divide us. In their propaganda campaigns they have been extremely effective. They have their apparati abroad and their communist parties in various countries, ~~—~~ particularly in Europe, in France, and ~~the~~ Italy. We know of the influence they have in various parts of Southeast Asia. They have other possibilities for maneuvering, particularly in the Far East. The result is that since they have not yet the capacity they would desire, either from the point of view of atomic weapons or aircraft, and because they have still a good deal of maneuverability in the foreign field, ~~in their policy~~ we are inclined to think they would choose ~~the latter—that is,~~ to continue the cold war, rather than to indulge immediately in a hot war.

There is no reason for either panic or complacency. While we cannot ^{that} guarantee to you [^] time, we believe ~~that~~ there will be time for planning. But that time should be used. We have to keep in mind that the Soviet

has the ~~present~~ ^{now} capacity to inflict very serious damage, but probably ~~do~~
not ~~with~~ ^{have} the intention of immediately using it. Consequently, we have
a duty to be on the alert from now on, particularly in view of the unre-
solved wars in Korea and Indochina which might create at any time ^a politi-
cal impasse, which in the ~~Soviet's~~ ^{Kremlin's} view might force ~~them~~ ^{it} to change ~~their~~ ^{its}
policy. Unless the issues ~~that~~ ^{looming} face us are solved or eased, ~~over the~~
~~coming years~~, I am afraid ~~we have to~~ ^{we must} look forward to the possibility that
our dangers will increase over the next three to five years, as their
potentiality ~~both from the point of view of~~ ⁱⁿ long-range aircraft and atomic
bombs increases. But that is a potentiality we should face with calm
planning rather than with panic.

FEDERAL CIVIL DEFENSE ADMINISTRATION **5-2192**

WASHINGTON 25, D. C.

OFFICE OF THE ADMINISTRATOR

Honorable Allen W. Dulles
Director, Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles:

I readily understand how a verbatim intelligence appraisal, regardless of editing, may not be suitable for public dissemination. For this reason I am returning your Mayors' Conference manuscript.

However, a resume with classified matter deleted -- as you suggest -- will be appreciated. We are most anxious to get all of the Conference speeches, or resumes, in the hands of the printer as soon as possible. The demand from mayors for this material is brisk because of their inability to determine what should, and should not, be reported to their people.

Thank you for your attention to this matter.

Sincerely,

SGD VAL PETERSON

Val Peterson

Enclosure

FEDERAL CIVIL DEFENSE ADMINISTRATION
WASHINGTON 25, D. C.

OFFICE OF THE ADMINISTRATOR

Honorable Allen W. Dulles
Director, Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles

Thank you for your letter of February 25 in which you enclosed for our confidential files a corrected text of your remarks before the White House Conference of Mayors.

I want to assure you that we are following the intent of your policy concerning publicizing intelligence appraisals. No part of the text of your remarks will appear in the collection of speeches made by various government officials before the Mayors Conference, which is intended for public distribution. However, the report does note that you were among the speakers.

May I thank you for your kind offer to work with me and if necessary with the Atomic Energy Commission on matters of this sort which may require security considerations, in the future.

Sincerely,

Val Peterson

25 February 1954

Can
The Honorable Val Peterson, Administrator
Federal Civil Defense Administration
Washington 25, D. C.

Dear Val:

I beg to refer to my letter of 23 January and your reply of 8 February 1954 with regard to my informal remarks before the Washington Conference of Mayors.

As indicated in my letter of 23 January, we have a general policy here of not giving any publicity to our intelligence appraisals. These go to those whom we serve on the National Security Council and to other agencies of the government within the scope of their respective activities. This, of course, includes the FCDA. I think, therefore, it would be better not to include in what you may be distributing as a result of the Mayors' Conference, any summary of my remarks as such. If you feel that there are intelligence aspects of the problem which the public needs to know and which can be given out without any breach of security, I suggest they be given out by you as Administrator, or by the FCDA, if you wish to do it impersonally. In that case, I would be glad to work with you, and if necessary, consult with the Atomic Energy Commission, to make sure that what was given out was consistent with the necessary security considerations.

I am sending you, under separate cover, for your confidential files, a corrected text of my remarks before the Mayors' Conference.

Sincerely yours,

Allen W. Dulles
Director

AWD:hea

Distribution:

Orig - Addressee

1 cc - DCI file

1 cc - Reading

19 February 1954

and
The Honorable Val Peterson, Administrator
Federal Civil Defense Administration
Washington 25, D. C.

Dear Governor Peterson:

This will acknowledge your letter of 15 February requesting me to address the Washington Conference of Governors at 11:55 a.m. on 27 April 1954. This will be entirely convenient for me and I am very glad to be able to assist in this very vital Conference.

Sincerely yours,

SIGNED

Allen W. Dulles
Director

STAT

O/DCI/ [] jck (19 Feb 54)

Distribution:

- 1 - DCI Speech file w/cy basic
- 1 - DCI Chrono
- 1 - Exec. Reg. w/basic
- 1 - Reading
- 1 - RWF Chrono

ER 5-2-29

FEDERAL CIVIL DEFENSE ADMINISTRATION
WASHINGTON 25, D. C.

OFFICE OF THE ADMINISTRATOR

FEB 15 1954

Honorable Allen W. Dulles
Director, Central Intelligence
Agency
Washington 25, D. C.

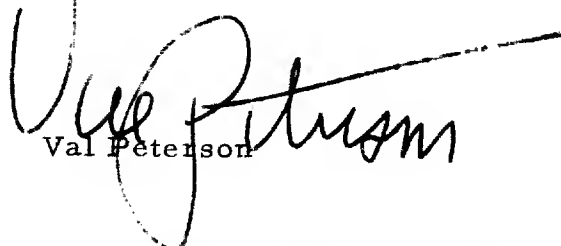
Dear Mr. Dulles:

The Washington Conference of Governors which was announced at the Cabinet meeting on January 29 has been set for April 27 and 28. It will follow the pattern of the one last May and the subjects to be discussed are national security, foreign policy, intergovernmental relations, and economic developments, with special emphasis on taxation and fiscal policies.

The President urges the participation of members of the Cabinet and heads of those agencies concerned. Accordingly, the Conference program will not be complete without a message from you. We should greatly appreciate it if you would give an Intelligence Briefing, and participate in a brief discussion following.

I have been designated as the coordinator of the program for the Federal Government, and the agenda which we have worked out has the approval of the White House. We are scheduling you to appear on the program at 11:55 a.m., on April 27. Will this suit your convenience? The meeting will be held in the Indian Treaty Room, which is Room 474 in the Executive Office Building.

Sincerely,


Val Peterson

FEDERAL CIVIL DEFENSE ADMINISTRATION
WASHINGTON 25, D. C.

OFFICE OF THE ADMINISTRATOR

DEC 17 1963

Honorable Allen W. Dulles
Director, Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles:

Attached is the transcript of your remarks to the White House
Conference of Mayors (December 14-15).

May we have your edited version of this transcript, or a brief
resume if you prefer, for dissemination to mayors attending the
Conference, American Municipal Association, U. S. Conference
of Mayors, State and local civil defense directors, and public
information media.

An early return of this material will be sincerely appreciated.

Sincerely,

SGD VAL PETERSON

Val Peterson

Attachment

MR. DULLES: I have asked Gov. Peterson's permission to reverse him on one point. I am not afraid of questions. If I can't or shouldn't answer them, I will let you know very frankly. While I only have 20 minutes to address you, I will try to cut off at least three or four of the minutes at the end so if there are any questions you can put them to me. I may be seeing some of you this afternoon at the White House, and we can get together there possibly if there are any more.

The job of the Central Intelligence Agency is to try to ferret out facts and present those facts to the policymakers of Government. It is not our job to say what should be done with the facts. It is merely our job--and that is a hard enough one--to try to find out what the facts are.

When you are dealing with Russia, sometimes the best you can do is to come up with a really uneducated guess, based on inadequate facts, and an estimate of what they have done in the past.

In that connection--and this is more from the point of view of your particular functions as Mayors of our great cities--the Soviets are able to learn a great deal more about us than we are about them. We publish the essential facts of our situation to the world. We tell the world where our installations are, where we are making this and that. We give them a great deal of information. In fact, I think we give them probably too much, but it is very difficult. When you have to decide between the maintenance of your freedoms, your freedom of the press and your other freedoms, and possibly disclosing more information than I would like to see disclosed, I can quite understand that maybe our freedoms are much more important. If we start to abridge them in any respect, it is hard to tell where we will end.

To turn briefly to the position of the Soviet Union as we see it. When Stalin died, early last spring, a change came about in the Soviet Union; but that change, in our opinion, has not affected its foreign policy. It was largely an internal matter. We had not realized--and not until Stalin's death did we realize--the extent to which that old dictator had really taken hold of the country and of all the people there and forced it into a pattern that was not a pattern that the other leaders of the Kremlin liked. When Stalin was buried, he was really buried; and one of the extraordinary things is the extent to which they have buried his memory. There has been very little mention of Stalin. The Lenin line has been disinterred and brought out again; the Stalin line has been pretty well interred.

He had frozen the Soviet internal policy into a rigid framework--and the framework is still rigid enough. He had set so rigid a framework that the people themselves were beginning to feel impatient. He had frozen their foreign policies into a rigidity that even men like Molotov did not like. They blamed Stalin for the break with Yugoslavia. They probably blamed Stalin pretty largely for the war in Korea and for many other rigid actions in foreign policy. So when he disappeared, they decided to change certain features of their system. That does not mean, as I said before, that they have relaxed to any great extent. They have, however, in agriculture taken a new look at the situation. They have clamped certain restrictions on the internal police. Beria's dismissal and disappearance is undoubtedly due to the fact that they wanted to curb the secret police. They more or less put a sign up: Don't walk on the

grass, but if you walk on the path, we won't worry you so much. In the other days, you never could tell--you might be walking on the grass or walking on the path and still you find yourself in jail. Now there is more or less a sign: Keep off the grass and we will give you a little more freedom internally than you had before.

They also found apparently that they weren't giving their people enough from the point of view of consumer's goods, and they are making a real effort now to give them more consumer's goods. One of the interesting things that we have to watch is as to what extent, if at all, that will force them to cut down on their production of munitions and war material. So far we have seen very little sign of that. They have been using recently quite a little of their gold to buy consumer's goods in the foreign market. Whether that will continue or not, I don't know. You may have seen in the papers reports of sale of Soviet gold. That is going on; and, while this year's sale will not greatly exceed last year's sale, the sale of the last three or four months has gone up quite spectacularly, largely, we think, so they can buy consumer's goods in the market.

We believe that the military now exercise greater authority in the Soviet Union than they did before Stalin's death. It is hard to prove that, but the disgrace of Beria, who was the artisan of putting in political commissars in the Army, is one of the reasons for our belief in that respect.

We see no signs, however, of a change in their foreign policy as far as objectives are concerned. They are more flexible. Fraternization is on. They are perfectly willing now to mix--where they never would before--with the foreigner. They are trying to give outwardly a more flexible, a more amenable air; but when it comes to the hard question as

to whether they will make any concessions, either in regard to a peace with Germany to unify Germany, as regards a treaty with Austria, or as regards a treaty in Korea, we find no change whatever in the fundamental attitude of their negotiators. The result is that we see no reason to relax as far as we are concerned. The policy in fact is more astute and a good deal cleverer because the present policy of the Soviet plays into the neutralist tendencies of many countries of the world, particularly countries like India, countries in Southeast Asia, and to certain people even on the Continent of Europe in France and in Italy.

Soviet intentions: It is our view that the Soviet does not now desire to provoke a hot war. They might stumble into one. They might feel they were crowded into one, but we do not feel, looking over the next six, eight months, or a year, that the Soviets desire deliberately to provoke, or by surprise attack to initiate, a hot war within that period. It is hard to predict for a longer period. They are doing well in the cold war. That is one of the reasons. They have prospects for further successes in the Far East. The situation in Indochina is a difficult one. The situation in Korea is a difficult one. They view it as a situation fraught with possibilities as far as they are concerned.

They desire also to build up their atomic stockpile, and they desire presumably to build up their long-range bomber fleet--and I will speak of that a little later.

The Soviet has, however, such inherent strength in the military and other points of view, that it wouldn't be safe for us to let our guards down. Here are some of their elements of strength. They have a great advantage, of course, in having a central position from which they can strike

out in various directions, protected by their great land mass, the Soviet Union, including Siberia, and then flanked by their satellites. One of the reasons for their keeping a tight hold on the satellites is to protect the Soviet heartland. That makes them, as history has shown, in the long run relatively invulnerable to land attack, and presumably therefore only vulnerable to air attack. They have a very large standing Army. Probably the Soviet Army, plus their security troops--I should say military forces--Army, Navy, and Air Force--would be around 4.5 million. There is an additional 4 million in China and about half a million in the satellites, making a military force--Army, Navy, Air Force, and security forces--of around 10 million in the Soviet orbit.

To turn to a point even more interesting from your angle--their Air Force: Total numbers are probably very misleading. They have a long-range bomber force based on the B-29 prototype that they obtained from us and used during the war, probably somewhat improved. We would estimate that they have between 1,000 and 1,500 of these medium bombers, called the TU-4. Their total range stripped down would be somewhat over 4,000 miles -- 4,000 to 4,500 miles probably. That would mean that these bombers are capable on a one-way mission of reaching almost any important point in the United States. Those of you who live in the tip of Florida, southern part of Texas, probably have a little more immunity than those living in the other parts of the country. But, by and large, assuming they did not care whether the planes got back or not, they could reach any part of the United States--practically any part of the United States. They have not a heavy bomber at the present time which would have the capacity to get to the United States and get back to their base. Of course, with refueling,--

and we must assume that they have the power to refuel--they could reach a good part of the United States and presumably get back. They could not reach all of the United States; and refueling in a long-range mission of this kind--particularly two-way refueling--presents serious difficulties. One refueling presents not many difficulties, assuming they have the techniques that we have.

I may say right here that we have felt that in the scientific and technical field, it is not safe for us to assume that we can do things they can't do. There is nothing wrong with the Russian brain. When they put their mind to it, with the help they have received from the scientists they have acquired from other countries and stolen from other countries--particularly Germany, they have the technical ability in any particular field. Where it comes to aircraft, engines for MIG aircraft, radar, and what they have done in their thermonuclear field, they have in many respects surprised us by the speed and skill with which they have reached results that we had hoped they would not reach. So in general we assume--and must assume to be safe--certainly in the Central Intelligence Agency--that they can do what we can do.

Where it comes to mass production, where it comes to the technical skills--right down the line--where it comes to doing what we do in our automobile and our other factories--no, I don't think they can do it, because by and large, taking the Soviet citizen from top to bottom, the level of intelligence of the American and of many of the Europeans is higher. The educational standards in the Soviet Union are increasing, and if you can give them a long time, they may reach the proficiency that we

have now reached. I think our great superiority lies in the character and ability of the American citizen from top to bottom, and we should not count very largely on a great technical superiority merely in the scientific field. That was a little aside as I was dealing with the aircraft situation, but I tried to make clear on the bomber situation, one-way mission, they can reach practically any target in the United States. Now, as to whether they can get through our defense, you will hear about that from Gov. Peterson and others, because my problem is looking at the Soviet Union and not looking so much at what we can do in the way of a counterattack. Whether they would risk their planes on suicide missions of this kind, whether they would not prefer to wait, if they are going to attack, until they have the long-range bomber that we now believe they are starting in production and may have in a couple of years--that is a question that I cannot answer today. But we are inclined to think that certain of the reasons which would lead them not to attack at the moment would be the fact that they do not have long-range bomber capacity that they could come to the United States and go back and also, as I will note to later, they certainly presumably would desire to increase their stockpile of atomic weapons before they made the attack, if they had the choice, unless they felt they were forced to a situation where they had to attack.

We know they have the MIG-15, an excellent plane for defense. They have that in mass production, and they have quite a lot of them. They have a good light bomber, jet bomber, the TU-4 that I mentioned before is a prop bomber (propeller). The IL-28 is only available for shorter

missions. The force of the Navy lies chiefly in their submarine force, and a certain number of good cruisers. They have no aircraft carrier at the moment, and they only have a few obsolete battleships. They have developed their submarines and they have developed their cruisers, both light and heavy.

On the atomic side, the President the other day in his speech at the UN gave you the essential facts, and I won't repeat what he said there. They have had some tests. They have produced in prototype at least atomic bombs. We believe they have a substantial stockpile of atomic bombs of various types. They may well have weapons. They have produced certain bombs with thermonuclear reactions, indicating the possibility that they have or will shortly have weapons with a very high amount of explosive power, going into the megatons.

We have some ideas about their stockpile. Naturally, we keep those ideas secret, just as we keep our own stockpile secret, but it would not be safe to assume that--if they were forced into a situation where they felt it was necessary or desirable to attack the United States, assuming they could get their bombers through--they could put on us a substantial load of atomic bombs. I don't think they have the kind of stockpile they would like to have to make that sort of attack, but it would not be safe for us to assume that they do not have certain potentialities immediately in that field.

I noticed some questions that were submitted by several of the Mayers from California, in which they also raised the question of bacteriological warfare. Our general view on that is this: Where you have a

choice of weapons, you choose the weapon that you think is most destructive. We believe that at the present time if they had a choice of carrying an atomic weapon or a bacteriological or gas warfare weapon, they would choose the first--that is, the atomic. We should not, however, let our guards down as to the possible developments both in the bacteriological and in the field of chemical warfare.

To back their defensive system, the Soviets are developing economic strength. Their gross national production has been increasing very rapidly over recent years at the rate of about 7 or 8 percent per annum over the last four years. That will probably level off because that is a faster rate than our own gross national production is increasing. That is a little misleading on the military side because they devote to the military purposes so much larger proportions of their gross national production than we do. They don't go in so much for refrigerators, automobiles, and so forth. They go in for planes and tanks in a much greater percentage than we do. I have one or two examples here. Take electronics: We believe about 90 percent of their work in electronics goes into the military side, whereas with us it is only about 37 percent--and that is rather typical.

I mentioned that in the agricultural field they were having certain difficulties, and they have had to admit that their agricultural situation has made really no progress as far as production is concerned from the days before the war.

I said at the beginning that we thought it was unlikely that they would deliberately choose war at this time. One of the reasons for our reaching that conclusion is that they are quite successful with certain techniques that they are carrying on now--the policy of divide and penetrate. With their phony peace offensive they are trying to divide us. My former

boss General Bedell Smith will tell you more about that. I just saw him come into the room. In their propaganda campaigns they have been extremely effective. They have their apparatus abroad and their communist parties in various countries, particularly in Europe, in France, and in Italy. We know of the influence they have in various parts of Southeast Asia. They have other possibilities for maneuvering, particularly in the Far East. The result is that since they have not yet the capacity they would desire either from the point of view of atomic weapons or aircraft, and because they have still a good deal of maneuverability in the foreign field, in their policy we are inclined to think they would choose the latter--that is, to continue the cold war, rather than to indulge immediately in a hot war.

Consequently, I would just like to take up the words that the President used in concluding. There is no reason for either panic or complacency. While we cannot guarantee to you time, we believe that there will be time for planning. But that time should be used. We have to keep in mind that the Soviet has the present capacity to inflict serious damage, but probably not with the intention of immediately using it. Consequently, we have a duty to be on the alert from now on, particularly in view of the unresolved wars in Korea and Indochina which might create at any time political impasses which in the Soviet's view might force them to change their policy. Unless the issues that face us are solved or eased over the coming years, I am afraid we have to look forward to the possibility that our dangers will increase over the next three to five years as their potentiality both from the point of view of long-range aircraft and atomic bombs increases. But that is a potentiality, as the President said, we should face with calm planning rather than with panic.

Corrected Transcript

MR. WILLIAMS: I have asked Gov. Peterson's permission to reverse him on one point. I welcome questions. If I can't or shouldn't answer them, I will let you know very frankly. While I only have 23 minutes to address you, I will try to cut off at least three or four of the minutes at the end so if there are any questions you can ask them to me. I may be seeing some of you this afternoon at the White House, and we can get together there possibly if there are any more.

The job of the Central Intelligence Agency is to try to dig out facts and present those facts to the policymakers of Government. It is not our job to say what should be done with the facts. That is not our job—and that is a hard enough one—to try to find out what the facts are.

When you are dealing with Russia, sometimes the best you can do is to come up with an educated guess, based on inadequate facts, and an estimate of what they have done in the past.

In that connection—and this is more from the point of view of your particular functions as mayors of our great cities—the Soviets are able to learn a great deal more about us than we are about them. To publish the essential facts of our situation to the world. We tell the world where our installations are, where we are making this and that. We give them a great deal of information. In fact, I think we give them probably too much, but it is a very difficult problem. When you have to decide between the maintenance of our freedoms, our freedom of the press and our other freedoms, and possibly disclosing more information than an intelligence officer would like to see disclosed, I can quite understand that maybe our freedoms are much more important. If we start to divulge them in any respect, it is hard to tell where we will end.

To turn briefly to the position of the Soviet Union as we see it. When Stalin died, early last spring, a change came about in the Soviet Union; but that change, in our opinion, has not affected its basic foreign policy. The change was largely internal. We had not realized—and did not until Stalin's death did we realize—the extent to which that dictator had really taken hold of the country and of all the people under his forced it into a pattern that was not a pattern that the other leaders of the Kremlin liked. When Stalin was buried, he was really buried; one of the extraordinary things is the extent to which his successors have buried his memory. There has been very little mention of him. The Lenin line has been disinterred and brought out again; the Stalin line has been pretty well interred.

Stalin had frozen the Soviet internal policy into a rigid framework and the framework is still rigid enough. He had set so rigid a framework that the people themselves were beginning to feel impatient. He had frozen their foreign policies into a rigidity that even men like Khrushchev did not like. They blamed Stalin for the break with Yugoslavia. They probably blamed Stalin pretty largely for the war in Korea and for several other rigid actions in foreign policy. So when he disappeared, they decided to change certain features of their system. That does not mean, as I said before, that they have relaxed to any great extent. They have, however, in agriculture taken a new look at the situation. They have clamped certain restrictions on the internal police. Khrushchev's dismissal and execution is undoubtedly due to the fact that they wanted to hurt the secret police. They more or less put a sign up: Don't walk on the

grass, but if you walk on the path, we won't worry you so much. On the other days, you never could tell—you might be walking on the path and still you find yourself in jail.

They also found apparently that they weren't giving their gold enough from the point of view of consumer's goods, and they are making a real effort now to give it in goods. One of the interesting things that we have to watch is as to what extent, if at all, that will force them to cut down on their production of armaments and war material. So far we have seen very little sign of any reduction. They have also been recently quite a little bit more gold to buy consumer's goods in the foreign market. You may have seen in the papers reports of sales of Soviet gold. That is going on: the gold sales of the last three or four months have gone up quite spectacularly, largely, we think, so that they can buy consumer's goods in the market.

We believe that the military now exercise greater authority in the Soviet Union than they did before Stalin's death. It is hard to prove that, but the execution of Beria, who was the artisan of Stalin's political conspiracies in the Army, is one of the reasons for our taking a different respect.

We see no signs, however, of a change in their foreign policy as far as objectives are concerned. They are more flexible. Their negotiation is on. The Russians are perfectly willing now to make concessions they never would before—with the foreigners. They are trying to give and were flexible, a more amiable air; but when it comes to the hard questions as to whether they will make any concessions, either in regard to the space

or as regards a treaty, in Korea, we find no change whatever in their fundamental attitude of their negotiators. The result is that we do not have to relax as far as we are concerned. The policy in fact is wise and a good deal cleverer because the present policy of the Soviet policy into the neutralist tendency of many countries of the world, particularly countries like India, countries in Southeast Asia, and to certain people even on the Continent of Europe especially in France and in Italy.

Regarding Soviet intentions, it is our view that the Soviet Union now desire to provoke a hot war. They could stumble into one, they might feel they were crowded into one, but we do not feel, looking over the next couple of years, that the Soviets desire deliberately to provoke, or by surprise attack to initiate, a hot war within that period. It is dangerous to predict for a longer period. They are doing well in the cold war. They have prospects for further successes in the Far East particularly in Indochina.

They are also building up their atomic stockpile to formidable numbers and they are constantly improving their long-range bombers and they will speak of that a little later.

The Soviet has such inherent military strength that it wouldn't be safe for us to let our guards down. They have a great advantage, of course, in having a central position from which they can strike out in various directions, protected by their great land mass, the vast area including Siberia, and they are flanked by their satellites. One of the reasons for their keeping a tight hold on the satellites is to protect the Soviet heartland. That makes them, as history has shown, to be relatively invulnerable to land attack, and presumably more vulnerable

vulnerable to air attack. They have a very large standing army. Probably the Soviet Army, plus their security troops—should say military forces—Army, Navy, and Air Force—would be around 4.5 million. There is an additional 4 million in China and about half a million in the satellites, making a military force—Army, Navy, Air Force, and security forces—of around 9 million in the Soviet orbit.

To turn to a point even more interesting from your angle—their Air Force: Total numbers are probably very misleading. They have a long-range bomber force based on the B-29 that they obtained from us during the war, probably somewhat improved. We would estimate that they have between 1,000 and 1,500 of these medium bombers, called the TB-3. Their total range stripped down would be 4,000 to 4,500 miles probably. This would mean that these bombers are capable on a one-way mission of reaching almost any important point in the United States. Those of you who live in the tip of Florida, southern part of Texas, probably have a little more immunity than those living in the other parts of the country. By and large, assuming they did not care whether the planes got back or not, they could reach any part of the United States—practically any part of the United States. They have not yet got significant numbers of heavy bombers which could get to the United States and get back to their base. Of course, with refueling—and we must assume that they have the power to refuel—they could reach a good part of the United States and presumably get back. They could not reach all of the United States; and refueling in a long-range mission of this kind—particularly two-way refueling—presents serious difficulties. One refueling presents not many difficulties, assuming they have the techniques that we have.

We have felt that in the scientific and technical field, it is very safe for us to assume that we can do things they can't do. There is nothing wrong with the Russian brain. When they put their mind to it, with the help they have received from the scientists they have acquired from other countries and stolen from other countries, particularly Germany, they have the technical ability in any particular field. When it comes to aircraft, engines for jet aircraft, radar, and what they have done in the thermonuclear field, they have in many respects surprised us by the speed and skill with which they have reached results that we had hoped they would not reach. So in general we assume--and must assume to be sure--certainly in the Central Intelligence Agency--that they can do what we can do.

Where it comes to mass production, where it comes to the technical skills--right down the line--where it comes to doing what we do in our automobiles and our other factories--no, I don't think they can do it, because by and large, taking the Soviet citizen from top to bottom, the level of intelligence of the American and of many of the Europeans is higher. The educational standards in the Soviet Union are increasing, and if you can give them a long time, they may reach the proficiency that we have now reached. I think our great superiority lies in the character and ability of the American citizen from top to bottom, and we should not count very largely on a great technical superiority merely in the scientific field.

That was a little aside as I was dealing with the aircraft situation, but I tried to make clear on the bomber situation, one-way mission, they can reach practically any target in the United States. Now, as to what

they can get through our defenses, you will hear about that from Gov. Peterson and others, because my problem is looking at the Soviet Union and not looking so much at what we can do in the way of a counterattack. Whether they would risk their planes on suicide missions of this kind, whether they would not prefer to wait, if they are going to attack, until they have the long-range bomber that we now believe they are starting in production and may have in a couple of years—that is a question that I cannot answer today. But we are inclined to think that certain of the reasons which would lead them not to attack at the moment would be the fact that they do not have long-range bomber capacity that they could come to the United States and go back and also, as I will come to later, they certainly presumably would desire to increase their stockpile of atomic weapons before they made the attack, if they had the choice, unless they felt they were forced to a situation where they had to attack.

We know they have the MiG-15, an excellent plane for defense. They have that in mass production, and they have quite a lot of them. They have a good light bomber, jet bomber, the TU-4 that I mentioned before is a prop bomber (propeller). The Il-28 is only available for shorter missions. The force of the Navy lies chiefly in their large submarine force, and a certain number of good cruisers. They have no aircraft carrier at the moment, and they only have a few obsolete battleships. They have developed their submarines and they have developed their missiles, both light and heavy.

On the atomic side, the President the other day in his speech at the UN gave you the essential facts, and I won't repeat what he said there. They have had some tests. They have produced atomic bombs. We believe they have a substantial stockpile of atomic bombs of various types.

They have produced at least a prototype bomb with thermonuclear reactions, indicating the possibility that they have or will shortly have weapons with a very high amount of explosive power.

We have some ideas about their stockpile. Naturally, we keep these ideas secret, just as we keep our own stockpile secret. But, if they were forced into a situation where they felt it was necessary or desirable to attack the United States, and if they could get their bombs through, it would be unsafe to assume that they could not put on us a substantial load of atomic bombs. I don't think they have the kind of stockpile they would like to have to make that sort of attack, but it would not be safe for us to assume that they do not have very serious potentialities immediately in that field.

I noticed some questions that were submitted by several of the Mayors from California, in which they also raised the question of bacteriological warfare. Our general view on that is this: Where you have a choice of weapons, you choose the weapon that you think is most destructive. We believe that at the present time if they had a choice of carrying an atomic weapon or a bacteriological or gas warfare weapon, they would choose the first--that is, the atomic. We should not, however, let our guards down as to the possible developments both in the bacteriological and in the field of chemical warfare.

To back their defensive system, the Soviets are developing economic strength. Their gross national production has been increasing very rapidly over recent years at the rate of about 7 or 8 percent per annum over the last four years. That will probably level off. On the military side they devote to military purposes much larger proportions of their industrial production than we do. They don't go in so much for refrigerators,

automobiles, and so forth. They go in for planes and tanks instead. I have one or two examples here. Take electronics: We believe about 90 percent of their work in electronics goes into the military side, whereas with us it is only about 37 percent--and that is rather typical.

I mentioned that in the agricultural field they were having certain difficulties, and they have had to admit that in certain sectors of their agriculture they have made really no progress as far as production is concerned from the days before World War I.

I said at the beginning that we thought it was unlikely that they would deliberately choose war at this time. One of the reasons for reaching that conclusion is that they are quite successful with certain techniques that they are carrying on now--the policy of divide and conquer. With their phony peace offensive they are trying to divide us. In their propaganda campaigns they have been extremely effective. They have their apparatus abroad and their communist parties in various countries, particularly in Europe, in France, and in Italy. We know of the influence they have in various parts of Southeast Asia. They have other possibilities for maneuvering, particularly in the Far East. The result is that since they have not yet the capacity they would desire either from the point of view of atomic weapons or aircraft, and because they have still a good deal of maneuverability in the foreign field, in their policy we are inclined to think they would choose the latter--that is, to continue the cold war, rather than to indulge immediately in a hot war.

There is no reason for either panic or complacency. While we cannot guarantee to you time, we believe that there will be time for planning. But that time should be used. We have to keep in mind that the Soviet

has the present capacity to inflict very serious damage, but probably not with the intention of immediately using it. Consequently, we have a duty to be on the alert from now on, particularly in view of the unresolved wars in Korea and Indochina which might create at any time political issues which in the Soviet's view might force them to change their policy. Unless the issues that face us are solved or eased over the coming years, I am afraid we have to look forward to the possibility that our dangers will increase over the next three to five years as their potentiality both from the point of view of long-range aircraft and atomic bombs increases. But that is a potentiality we should face with calm planning rather than with panic.

UNCLASSIFIED RESTRICTED CONFIDENTIAL SECRET
Approved For Release 2005/11/28 : CIA-RDP80B01676R001000030023-5
(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

Urgent

TO		INITIALS	DATE
1	Mr. Amory, DD/I		
2			
3			
4			
5			
FROM		INITIALS	DATE
1	DCI	A. W. D.	1/23/54
2			
3			

<input type="checkbox"/> APPROVAL	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE
<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> RETURN
<input type="checkbox"/> COMMENT	<input type="checkbox"/> PREPARATION OF REPLY	<input type="checkbox"/> DISPATCH
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> FILE

Remarks: Please look over my revised remarks and if you have no further suggestions, have a couple of photostats made, one for your office and one for mine, and then mail with the attached letter, if you concur in my answer to Peterson.

A. W. D.

[Signature]

Approved For Release 2005/11/28 : CIA-RDP80B01676R001000030023-5
SECRET CONFIDENTIAL RESTRICTED UNCLASSIFIED

MR. DULLES: I have asked Gov. Peterson's permission to ~~reverse~~
him on one point. I ~~am not afraid of~~ ^{welcome} questions. If I can't or shouldn't
answer them, I will let you know very frankly. While I only have 30 minutes
to address you, I will try to cut off at least three or four of the minutes
at the end so if there are any questions you can put them to me. I may be
seeing some of you this afternoon at the White House, and we can get to-
gether there possibly if there are any more.

The job of the Central Intelligence Agency is to try to ferret
out facts and present those facts to the policymakers of Government. It
is not our job to say what should be done with the facts. It is merely our
job--and that is a hard enough one--to try to find out what the facts are.

When you are dealing with Russia, sometimes the best you can do
is to come up with a ~~really educated~~ ^{an educated} guess, based on inadequate facts,
and an estimate of what they have done in the past.

In that connection--and this is more from the point of view of
your particular functions as Mayors of our great cities--the Soviets are
able to learn a great deal more about us than we are about them. We pub-
lish the essential facts of our situation to the world. We tell the world
where our installations are, where we are making this and that. We give
them a great deal of information. In fact, I think we give them probably
too much, but it is ^a ~~very~~ ^{problem} difficult. When you have to decide between the
maintenance of ~~your~~ ^{your} freedoms, ~~your~~ ^{your} freedom of the press and ~~your~~ ^{your} other
freedoms, and possibly disclosing more information than ^{an intelligence} ~~I~~ would like to
see disclosed, I can quite understand that maybe our freedoms are much
more important. If we start to abridge them in any respect, it is hard
to tell where we will end.

To turn briefly to the position of the Soviet Union as we see it. When Stalin died, early last spring, a change came about in the Soviet Union; but that change, in our opinion, has not affected its *foreign* foreign policy. *The change* ~~It~~ was largely an internal matter. We had not realized--and not until Stalin's death did we realize--the extent to which that old dictator had really taken hold of the country and of all the people there and forced it into a pattern that was not a pattern that the other leaders of the Kremlin liked. When Stalin was buried, he was really buried; and one of the extraordinary things is the extent to which ~~they~~ *he* have buried his memory. There has been very little mention of Stalin. The Lenin line has been disinterred and brought out again; the Stalin line has been pretty well interred.

Stalin He had frozen the Soviet internal policy into a rigid framework and the framework is still rigid enough. He had set so rigid a framework that the people themselves were beginning to feel impatient. He had frozen their foreign policies into a rigidity that even men like Molotov did not like. They blamed Stalin for the break with Yugoslavia. They probably blamed Stalin pretty largely for the war in Korea and for many other rigid actions in foreign policy. So when he disappeared, they decided to change certain features of their system. That does not mean, as I said before, that they have relaxed to any great extent. They have, however, in agriculture taken a new look at the situation. They have clamped certain restrictions on the internal police. Beria's dismissal and ~~disappearance~~ *execution* is undoubtedly due to the fact that they wanted to run the secret police. They more or less put a sign up: Don't walk on the

grass, but if you walk on the path, we won't worry you so much. In the other days, you never could tell--you might be walking on the grass or walking on the path and still you find yourself in jail. Now there is more or less a sign: Keep off the grass and we will give you a little more freedom internally than you had before.

They also found apparently that they weren't giving their people enough from the point of view of consumer's goods, and they are making real effort now to give them more consumer's goods. One of the interesting things that we have to watch is as to what extent, if at all, that will force them to cut down on their production of munitions and war material. So far we have seen very little sign of ~~that~~ ^{any reduction}. They have been using recently quite a little of their gold to buy consumer's goods in the foreign market. Whether that will continue or not, I don't know. You may have seen in the papers reports of sale of Soviet gold. That is going on; and, while this year's sale will not greatly exceed last year's sale, the sale of the last three or four months has gone up quite spectacularly, largely, we think, ^{Russia} so they can buy consumer's goods in the market.

We believe that the military now exercise greater authority in the Soviet Union than they did before Stalin's death. It is hard to prove that, but the ^{execution} ~~disgrace~~ of Beria, who was the artisan of putting in political commissars in the Army, is one of the reasons for our belief in that respect.

We see no signs, however, of a change in their foreign policy as far as objectives are concerned. They are more flexible. Fraternization is on. ^{Russia are} They are perfectly willing now to mix--where they never would before--with the foreigner. They are trying to give outwardly a more flexible, a more amenable air; but when it comes to the hard question as

to whether they will make any concessions, either in regard ~~to a treaty~~
~~with Germany to unify Germany, or regarding a treaty with Austria,~~ or as
 regards a treaty in Korea, we find no change whatever in the fundamen-
 tal attitude of their negotiators. The result is that we see no reason
 to relax as far as we are concerned. The policy in fact is more astute and
 a good deal cleverer because the present policy of the Soviet plays into
 the neutralist tendencies of many countries of the world, particularly ~~in~~
~~countries like India, countries in Southeast Asia, and to certain people~~
 even on the Continent of Europe ~~in France and in Italy.~~

Reporting Soviet intentions, ~~it~~ is our view that the Soviet does not
 now desire to provoke a hot war. They ~~might~~ ^{could} stumble into one. They
 might feel they were crowded into one, but we do not feel, looking over
 the next ~~six~~ ^{couple of years} ~~eight months or a year~~, that the Soviets desire deliberately
 to provoke, or by surprise attack to initiate, a hot war within that period.
 It is ~~hard~~ ^{hazardous} to predict for a longer period. They are doing well in the cold
 war. That is one of the reasons. They have prospects for further successes
 in the Far East. ~~The situation in Indochina is a difficult one. The situ-~~
~~ation in Korea is a difficult one. They view it as a situation fraught~~
 with possibilities as far as they are concerned.

They ~~desire~~ ^{are} also to build up their atomic stockpile, and they
~~desire presumably to build up~~ ^{constantly increasing} their long-range bomber fleet--and I will
 speak of that a little later.

The Soviet has, however, such inherent strength in the military
 and other points of view, that it wouldn't be safe for us to let our guard
 down. ~~Here are some of their elements of strength:~~ They have a great advan-
 tage, of course, in having a central position from which they can strike

out in various directions, protected by their great land mass, the Soviet Union, including Siberia, and then flanked by their satellites. One of the reasons for their keeping a tight hold on the satellites is to protect the Soviet heartland. That makes them, as history has shown, in the long run relatively invulnerable to land attack, and presumably therefore only vulnerable to air attack. They have a very large standing Army.

Probably the Soviet Army, plus their security troops--I should say military forces--Army, Navy, and Air Force--would be around 4.5 million. There is an additional 4 million in China and about half a million in the satellites, making a military force--Army, Navy, Air Force, and security forces--of around 9.5 million in the Soviet orbit.

To turn to a point even more interesting from your angle--their Air Force: Total numbers are probably very misleading. They have a long-range bomber force based on the B-29 prototype that they obtained from us ~~agreed~~ during the war, probably somewhat improved. We would estimate that they have between 1,000 and 1,500 of these medium bombers, called the TU-4. Their total range stripped down would be ~~somewhat over 4,000~~ miles-- 4,000 to 4,500 miles probably. That would mean that these bombers are capable on a one-way mission of reaching almost any important point in the United States. Those of you who live in the tip of Florida, southern part of Texas, probably have a little more immunity than those living in the other parts of the country. But, by and large, assuming they did not care whether the planes got back or not, they could reach any part of the United States--practically any part of the United States. They have not ^{got significant number of} a heavy bomber at the present time which would have the capacity to get to the United States and get back to their base. Of course, with refueling.

and we must assume that they have the power to refuel--they could reach a good part of the United States and presumably get back. They could not reach all of the United States; and refueling in a long-range mission of this kind--particularly two-way refueling--presents serious difficulties. One refueling presents not many difficulties, assuming they have the techniques that we have.

~~I may say right here that~~ we have felt that in the scientific and technical field, it is not safe for us to assume that we can do things they can't do. There is nothing wrong with the Russian brain. When they put their mind to it, with the help they have received from the scientists they have acquired from other countries and stolen from other countries--particularly Germany, they have the technical ability in any particular field. Where it comes to aircraft, engines for MEU aircraft, radar, and what they have done in the thermonuclear field, they have in many respects surprised us by the speed and skill with which they have reached results that we had hoped they would not reach. So in general we assume--and must assume to be safe--certainly in the Central Intelligence Agency--that they can do what we can do.

Where it comes to mass production, where it comes to the technical skills--right down the line--where it comes to doing what we do in our automobile and our other factories--no, I don't think they can do it, because by and large, taking the Soviet citizen from top to bottom, the level of intelligence of the American and of many of the Europeans is higher. The educational standards in the Soviet Union are increasing, and if you can give them a long time, they may reach the proficiency that we

9 have now reached. I think our great superiority lies in the character and ability of the American citizen from top to bottom, and we should not count very largely on a great technical superiority merely in the scientific field. That was a little aside as I was dealing with the aircraft situation, but I tried to make clear on the bomber situation, one-way mission, they can reach practically any target in the United States. Now, as to whether they can get through our defense, you will hear about that from Gov. Peterson and others, because my problem is looking at the Soviet Union and not looking so much at what we can do in the way of a counterattack. Whether they would risk their planes on suicide missions of this kind, whether they would not prefer to wait, if they are going to attack, until they have the long-range bomber that we now believe they are starting in production and may have in a couple of years--that is question that I cannot answer today. But we are inclined to think the certain of the reasons which would lead them not to attack at the moment would be the fact that they do not have long-range bomber capacity that they could come to the United States and go back and also, as I will come to later, they certainly presumably would desire to increase their stockpile of atomic weapons before they made the attack, if they had the choice, unless they felt they were forced to a situation where they had to attack.

We know they have the MIG-15, an excellent plane for defense. They have that in mass production, and they have quite a lot of them. They have a good light bomber, jet bomber, the TU-4 that I mentioned before is a prop bomber (propeller). The IL-28 is only available for shorter

missions. The force of the Navy lies chiefly in their submarine force and a certain number of good cruisers. They have no aircraft carrier at the moment, and they only have a few obsolete battleships. They have developed their submarines and they have developed their cruisers, both light and heavy.

On the atomic side, the President the other day in his speech to the UN gave you the essential facts, and I won't repeat what he said there. They have had some tests. They have produced ~~is prototype at least~~ atomic bombs. We believe they have a substantial stockpile of atomic bombs of various types. ~~They may well have weapons.~~ They have produced ~~certain~~ ^{a few} prototype bombs with thermonuclear reactions, indicating the possibility that they have or will shortly have weapons with a very high amount of explosive power, ~~going into the megatons.~~

We have some ideas about their stockpile. Naturally, we keep those ideas secret, just as we keep our own stockpile secret. ^{But} it would not be safe to assume that ^{we} ~~that~~ if they were forced into a situation where they felt it was necessary or desirable to attack the United States, ^{and if} ~~assuming~~ they could get their bombers through ^{that} ~~they~~ ^{not} could put on us a substantial load of atomic bombs. I don't think they have the kind of stockpile they would like to have to make that sort of attack, but it would not be safe for us to assume that they do not have ^{very serious} ~~certain~~ potentialities immediately in that field.

I noticed some questions that were submitted by several of the Mayers from California, in which they also raised the question of bacteriological warfare. Our general view on that is this: Where you have a

choice of weapons, you choose the weapon that you think is most destructive. We believe that at the present time if they had a choice of carrying an atomic weapon or a bacteriological or gas warfare weapon, they would choose the first--that is, the atomic. We should not, however, let our guards down as to the possible developments both in the bacteriological and in the field of chemical warfare.

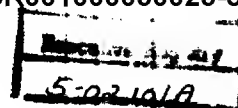
To back their defensive system, the Soviets are developing economic strength. Their gross national production has been increasing very rapidly over recent years at the rate of about 7 or 8 percent per annum over the last four years. That will probably level off ~~because that is a faster rate than our own gross national production is decreasing.~~ That is a little misleading on the military side because they devote to the military purposes so much larger proportions of their ^{industrial} ~~gross national~~ production than we do. They don't go in so much for refrigerators, automobiles, and so forth. They go in for planes and tanks ^{instead} ~~in a much greater percentage than we do.~~ I have one or two examples here. Take electronics: We believe about 90 percent of their work in electronics goes into the military side, whereas with us it is only about 37 percent--and that is rather typical.

I mentioned that in the agricultural field they were having certain difficulties, and they have had to admit that their agricultural ^{in certain sectors of} ~~situation has made~~ ^{they have} really no progress as far as production is concerned from the days before the ^{World War I} ~~World War I~~.

I said at the beginning that we thought it was unlikely that they would deliberately choose war at this time. One of the reasons for reaching that conclusion is that they are quite successful with certain techniques that they are carrying on now--the policy of divide and penetrate. With their phony peace offensive they are trying to divide us. ~~My former~~

~~have General Bedell Smith will tell you more about that. I just saw him~~
~~come into the room.~~ In their propaganda campaigns they have been extremely
effective. They have their apparatus abroad and their communist parties in
various countries, particularly in Europe, in France, and in Italy. We
know of the influence they have in various parts of Southeast Asia. They
have other possibilities for maneuvering, particularly in the Far East.
The result is that since they have not yet the capacity they would desire
either from the point of view of atomic weapons or aircraft, and because they
have still a good deal of maneuverability in the foreign field, in their
policy we are inclined to think they would choose the latter--that is, to
continue the cold war, rather than to indulge immediately in a hot war.

~~Consequently, I would just like to take up the words that the~~
~~President used in concluding.~~ There is no reason for either panic or
complacency. While we cannot guarantee to you time, we believe that
there will be time for planning. But that time should be used. We have
to keep in mind that the Soviet has the present capacity to inflict seri-
ous damage, but probably not with the intention of immediately using it.
Consequently, we have a duty to be on the alert from now on, particularly
in view of the unresolved wars in Korea and Indochina which might create
at any time political impasses which in the Soviet's view might force
them to change their policy. Unless the issues that face us are solved
or eased over the coming years, I am afraid we have to look forward to the
possibility that our dangers will increase over the next three to five years
as their potentiality both from the point of view of long-range aircraft
and atomic bombs increases. But that is a potentiality, ~~as the President~~
~~said,~~ we should face with calm planning rather than with panic.



✓ 23 January 1954

The Honorable Val Peterson
Administrator
Federal Civil Defense Administration
Washington 25, D. C.

Dear Governor:

I return herewith the corrected transcript of my informal remarks at the recent White House Conference of Mayors, which you sent me with your letter of 28 December last.

It is the general policy in CIA not to give out publicly any of our intelligence appraisals. Normally these are limited in distribution to the policy makers to whom we report.

As a possible alternative if you feel it is important to have a statement covering the general subject matter of my remarks, I would endeavor to prepare a resume, eliminating classified matter, which you might give out as coming from the F.C.D.A.

Faithfully yours,

Allen W. Dulles
Director

Enclosure

AWD/c

Distribution:

Orig & 1 cc--addressee

1 cc--Executive Registry

1 cc--DCI file

1 cc--Reading

1 cc--DD/I

1 cc--V [unclear] Approved For Release 2005/11/28 : CIA-RDP80B01676R001000030023-5

ee

FEDERAL CIVIL DEFENSE ADMINISTRATION
WASHINGTON 25, D. C.

OFFICE OF THE ADMINISTRATOR

DEC 28 1957

Honorable Allen W. Dulles
Director, Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles:

Attached is the transcript of your remarks to the White House
Conference of Mayors (December 14-15).

May we have your edited version of this transcript, or a brief
resume if you prefer, for dissemination to mayors attending the
Conference, American Municipal Association, U. S. Conference
of Mayors, State and local civil defense directors, and public
information media.

An early return of this material will be sincerely appreciated.

Sincerely,


Val Peterson

Attachment

Draft

-6-

GOV. PETERSON: Now, it will be our purpose today and tomorrow to amplify the remarks made by the President and to make perfectly clear to you the foreign situation as the top leaders in our Government see it, to make perfectly clear to you enemy weapons and capabilities, and our joint responsibilities in seeing that America is prepared.

Following each speaker's presentation, a period of time has been allowed for questioning of the speaker. It happens that is true in every case, with just one exception. That exception happens to be the first speaker on our program this morning, who it is now my privilege to introduce.

Allen Dulles is a distinguished lawyer, who was decorated for his unusual service with the OSS during the war and is also a diplomat, who on occasions has represented the United States on various international commissions. He is a well-known writer and speaker on international affairs and is now Director of the Central Intelligence Agency, which explains why he will be the only speaker who will not be subject to such questions as you may care to direct. I am certain he will be able to handle himself, but it is not appropriate in his case.

~~Ladies and gentlemen, Mr. Allen Dulles.~~

MR. DULLES: I have asked Gov. Peterson's permission to reverse him on one point. I am not afraid of questions. If I can't or shouldn't answer them, I will let you know very frankly. While I only have 20 minutes to address you, I will

-7-

try to cut off at least three or four of the minutes at the end so if there are any questions you can put them to me. We may be seeing some of you this afternoon at the White House, and we can get together there possibly if there are any more.

The job of the Central Intelligence Agency is to try to ferret out facts and present those facts to the policymakers of Government. It is not our job to say what should be done with the facts. It is merely our job--and that is a hard enough one--to try to find out what the facts are.

When you are dealing with Russia, sometimes the best you can do is to come up with a really uneducated guess, based on inadequate facts, and an estimate of what they have done in the past.

In that connection--and this ^{affects} ~~is more from the point~~ ~~of view~~ of your particular functions as Mayors of our great cities--the Soviets are able to learn a great deal more about us than we ^{can} ~~are~~ about them. We publish the essential facts of our situation to the world. We tell the world where our installations are, where we are making this and that. We give them a great deal of information. In fact, I think we give them probably too much, but it is very difficult ^{choice} ~~choice~~. When you have to decide between the maintenance of your freedoms, your freedom of the press and your other freedoms, and possibly disclosing more information ~~than~~ than I would like to see disclosed, I can quite understand that maybe our freedoms are much more important. If we start to abridge them in any respect, it is

-8-

hard to tell where we will end.

To turn briefly to the position of the Soviet Union as we see it. When Stalin died, early last spring, a change came about in the Soviet Union; but that change, in our opinion, has not affected its ^{long range} ~~foreign~~ policy. It was largely an internal matter. We had not realized--and not until Stalin's death did we realize--the extent to which that old dictator had really taken hold of the country and of all the people there and forced it into a pattern that ~~even~~ was not a pattern that the other leaders of the Kremlin liked. When Stalin was buried, he was really buried; and one of the extraordinary things is the extent to which they have buried his memory. There has been very little mention of Stalin. The ^{Lenin} line has been disinterred and brought out again; the Stalin ^{line} has been pretty well interred.

^{Stalin} He had frozen the Soviet internal policy into a rigid framework--and the framework is still rigid enough. He had set so rigid a framework that the people themselves were beginning to feel impatient. He had frozen their foreign policies into a rigidity that even men like Molotov did not like. They blamed Stalin for the break with Yugoslavia. They probably blamed Stalin pretty largely for the war in Korea and for many other rigid actions in foreign policy. So when he disappeared, they decided to change certain features of their system. That does not mean, as I said before, that they have relaxed to any great extent. They have, however,

-9-

in agriculture taken a new look at the situation. They have clamped certain restrictions on the internal police. Beria's dismissal and disappearance is undoubtedly due to the fact that they wanted to curb the secret police. They more or less put a sign up: Don't walk on the grass, but if you walk on the path, we won't worry you so much. In the other days, you never could tell--you might be walking on the grass or walking on the path and still you find yourself in jail. Now there is more or less a sign: Keep off the grass and we will give you a little more freedom internally than you had before.

They also found, apparently, that they weren't giving their people enough from the point of view of consumer's goods, and they are making a real effort now to give them ~~more~~ more consumer's goods. One of the interesting things that we have to watch is as to what extent, if at all, that will force them to cut down on their production of munitions and war material. So far we have seen very little sign of that. They have been using recently quite a little of their gold to buy consumer's goods in the foreign market. Whether that will continue or not, I don't know. You may have seen in the papers reports of sale of Soviet gold. That is going on; and, while this year's sale will not greatly exceed last year's sale, the sale of the last three or four months has gone up quite spectacularly, largely, we think, so they can buy consumer's goods in the market.

-10-

We believe that the military now exercise greater authority in the Soviet Union than they did before Stalin's death. It is hard to prove that, but the disgrace of Beria, who was the artisan of putting ~~in~~ political commissars in the Army, is one of the reasons for our belief in that respect.

We see no signs, however, of a change in their foreign policy as far as ^{any range} objectives are concerned. They are more flexible. Fraternization is on. They are perfectly willing now to mix--where they never would before--with the foreigner. They are trying to give outwardly a more flexible, a more amenable air; but when it comes to the hard question as to whether they will make any concessions, either in regard to a peace with Germany to unify Germany, as regards a treaty with ~~Austria~~ Austria, or as regards a treaty in Korea, we find no change whatever in the fundamental attitude of their negotiators. The result is that we see no reason to relax as far as we are concerned. The policy in fact is more astute and a good deal cleverer because the present policy of the Soviet plays into the neutralist tendencies of many countries of the world, particularly countries like India, countries in Southeast Asia, and to certain people even on the Continent of Europe in France and in Italy.

Soviet intentions: It is our view that the Soviet does not now desire to provoke a hot war. They might stumble into one. They might feel they were crowded into one, but we do not feel, looking over the next six, ~~a~~ eight months, or a year, that the Soviets desire deliberately to provoke, or

-11-

by surprise attack to initiate, a hot war within that period. It is hard to predict for a longer period. They are doing well in the cold war. That is one of the reasons. They have prospects for further successes in the Far East. The situation in Indochina is a difficult one. The situation in Korea is a difficult one. They view it as a situation fraught with possibilities as far as they are concerned.

They desire also to build up their atomic stockpile, and they desire presumably to build up their long-range bomber fleet--and I will speak of that a little later.

The Soviet has, however, such inherent strength ^{from} ~~in~~ the military and other points of view, that it wouldn't be safe for us to let our guards down. Here are some of their elements of strength. They have a great advantage, of course, in having a central position from which they can strike out in various directions, protected by their great land mass, the Soviet Union, including Siberia, and then flanked by their satellites. One of the reasons for their keeping a tight hold on the satellites is to protect the Soviet heartland. That makes them, as history has shown, in the long run relatively invulnerable to land attack, and presumably therefore only vulnerable to air attack. They have a very large standing Army. Probably the Soviet Army, plus their security troops--I should say military forces--Army, Navy, and Air Force--would be around 4.5 million. There is an additional 4 million in China and about half a million in the satellites, making a military force--Army, Navy, Air Force, and

-12-

security forces--of around 10 million in the Soviet orbit.

To turn to a point even more interesting from your angle--their Air Force: Total numbers are probably very misleading. They have a long-range bomber force based on the B-29 prototype that they obtained from us and used during the war, probably somewhat improved. We would estimate that they have between 1,000 and 1,500 of these medium bombers, called the TU-4. Their total range stripped down would be somewhat over 4,000 miles--4,000 to 4,500^{miles}/probably. That would mean that these bombers are capable on a one-way mission of reaching almost any important point in the United States. Those of you who live in the tip of Florida, southern part of Texas, probably have^a little more immunity than those living in the other parts of the country. But, by and large, assuming they did not care whether the planes got back or not, they could reach any part of the United States,--practically any part of the United States. They have not a heavy bomber at the present time which would have the capacity to get to the United States and get back to their base. Of course, with refueling--and we must assume that they have the power to refuel--they^{TU-4} could reach a good part of the United States and presumably get back. They could not reach all of the United States; and refueling in a long-range mission of this kind--particularly two-way refueling--presents serious difficulties. One refueling presents not many difficulties, assuming they have the techniques that we have.

-13-

I may say right here that we have felt that in the scientific and technical field, it is not safe for us to assume that we can do things they can't do. There is nothing wrong with the Russian brain. When they put their mind to it, with the help they have received from the scientists they have ~~acquired~~ acquired from other countries and stolen from other countries, particularly Germany, they have the technical ability in any particular field. ~~When it comes to aircraft, engines for MIG aircraft, where it comes to radar, and where it comes to what they have done in the thermonuclear field, they have in many respects surprised us by the speed and skill with which they have reached results that we had hoped they ~~would~~ would not reach. So in general we assume--and must assume to be safe--certainly in the Central Intelligence Agency---that they can do what we can do.~~

Where it comes to mass production, where it comes to the technical skills, right down the line, where it comes to doing what we do in our automobile ~~and~~ our other factories-- ~~as, I don't think they can do it, because~~ ^{What we can do.} By and large, taking the Soviet citizen from top to bottom, the level of intelligence of the American and of many of the Europeans is higher. The educational standards in the Soviet Union are ~~increasing~~ ^{improving}, and if you can give them a long time, they may reach the proficiency that we have now reached. I think our great superiority lies in the character and ability of the American citizen from top to bottom, ~~and~~ ^{but} we should not count ~~very largely~~ on a great technical

-14-

superiority merely in the scientific field. ~~That was a little~~
~~aside as I was dealing with~~ ^{to revert to} the aircraft situation, ~~but~~ I tried
to make clear ^{That is} the bomber ^{on} situation, one-way missions, ~~they~~
can reach practically any target in the United States. Now,
as to whether they can get through our defense, you will hear
about that from Gov. Peterson and others. ~~because~~ ^{My} problem is
looking at the Soviet Union and not looking so much ~~at~~ at what
we can do in the way of a counter^{measures.} ~~attack~~. Whether they would
risk their planes on suicide missions of this kind, whether they
~~would~~ would not prefer to wait, if they are going to attack,
until they have the long-range bomber that we now believe
they are starting in production and ~~may~~ have in a couple of
years--that is a question that I cannot answer today. But we
are inclined to think that ^{one of} ~~certain of~~ the reasons which would
lead them not to attack at the moment would be the fact that
they do not have long-range bomber capacity ~~that they could come~~ ^{to}
to the United States and go back. ~~and~~ ^{Also,} as I will ~~come~~ ^{would} to
later, they ~~certainly~~ presumably/desire to increase their stock-
pile of atomic weapons before they made the attack, if they had
the choice, ^{and} ~~unless~~ they felt they were forced to a situation
where they had ^{to} attack.

We know they have the ^{MIG} ~~P~~-15, an excellent plane ~~for~~
defense. They have that in mass production, and they have
quite a lot of them. They have a good light bomber, jet
bomber, the TU-4 that I mentioned before ^{is} a prop bomber (propeller).

-15-

The IL-28 is only available for shorter missions. ^H The force of the Navy lies chiefly in their submarine ~~force~~, and a certain number of good cruisers. They have no aircraft carrier at the moment, and they only have a few obsolete battleships. They have developed their submarines and they have developed their cruisers, both light and heavy.

On the atomic side, the President the other day in his speech at the UN gave you the essential facts, and I won't ~~repeat~~ repeat what he said there. They have had some tests. They have produced ~~in prototype at least~~ atomic bombs, ^{and} he believe they have a substantial stockpile of ~~atomic~~ ^{such} atomic bombs of various types. They may well have ^{atomic} weapons. They have produced certain bombs with thermonuclear reactions, indicating the possibility that they have or will shortly have weapons with a ^{amount} very high ~~amount~~ of explosive power, going into the negatons.

We have some ideas about their stockpile. Naturally, we keep those ideas secret, just as we keep our own stockpile secret, ^{however} but it would not be safe to assume that, ^{if} if they were forced into a situation where they felt it was necessary or desirable to attack the United States, ^{and} assuming they could get their bombers through, ^{lacked a capacity to} they ~~could~~ ^{now} put on us a substantial load of ~~atomic~~ ^{atomic} bombs. I don't think they have the kind of stockpile they would like to have to make that sort of attack, but it would not be safe for us to assume that they do not ^{now} have certain potentialities ~~immediately~~ in that field.

I noticed some questions that were submitted by several

-16-

of the Mayors from California, in which they also raised the question of bacteriological warfare. Our general view on that is this: Where you have a choice of weapons, you choose the weapon that you think is most destructive. We believe that at the present time if they had a choice of carrying an ^{nuclear} ~~atomic~~ weapon or ^a bacteriological or gas warfare weapon, they would choose the first--that is, the ^{nuclear} ~~atomic~~. We should not, however, let our guards down as to the possible developments both in the bacteriological and in the field of chemical warfare.

To back their defensive system, the Soviets are developing economic strength. Their gross national production has been increasing ~~at~~ very rapidly over recent years at the rate of about 7 or 8 percent per annum over the last four years. That will probably level off, ^{It is even at} ~~because that is~~ a faster rate than our own gross national production is increasing. ~~That is a little misleading~~ On the military side ~~because~~ they devote ^a ~~to~~ much larger proportions of their gross national production than we do. They don't go in so much for refrigerators, automobiles, and so forth. They go in for planes and tanks ^{to} ~~in~~ a much greater percentage than we do. I have one or two examples here. Take electronics: We believe ^{that} about 90 percent of their work in electronics goes into the military side, whereas with us it is only about 37 percent--and that is rather typical.

I mentioned that in the agricultural field they were having certain difficulties, and they have had to admit that their agricultural situation has made really ~~no progress~~

in certain respects

-17-

far as production is concerned ^{Since} ~~from~~ the days before the war.

I said at the beginning that we thought it was unlikely ^{Soviet} that they [^] would deliberately choose war at this time. One of the reasons for our reaching that conclusion is that they are quite successful with certain techniques that ~~we~~ they are carrying on now--the policy of divide and penetrate. With their phony peace offensive they are trying to divide us. My former boss General Bedell Smith will tell you more about that. I just saw him come into the room. ^{Hillgo} In their propaganda campaigns they have been extremely effective. They have their apparati abroad and their communist parties in various countries, particularly in Europe, in France, and in Italy. We know of the influence they have in various parts of Southeast Asia. They have other possibilities for maneuvering, particularly in the Far East. The result is that since they have not yet the capacity they would desire either from the point of view of atomic weapons or aircraft, and because they have still a good deal of maneuverability in the foreign field, ~~in their policy we~~ are inclined to think they would choose ~~the latter--that is,~~ to continue the cold war, rather than to immediately ~~indulge~~ in a hot war.

Consequently, I would just like to take up the words that the President used in concluding. There is no reason for either panic or complacency. While we cannot ^{"time"} guarantee to you ~~time~~, we believe that there will be time for planning. But that time should be used. We have to keep in mind that

-18-

the Soviet has the present capacity to inflict serious damage, but probably not ~~with~~ the intention of immediately using it. Consequently, we have a duty to be on the alert from now on, particularly in view of the unresolved wars in Korea and Indochina, ^{These} ~~which~~ might create at any time political impasses which in the Soviet's view might force them to change their policy. ^{Unless} the issues that face us are solved or eased over the coming years, ^{may} ~~I am afraid~~ we have to look forward to the possibility that our dangers will increase over the next three to five years as ^{Soviet} ~~their~~ potentiality both from the point of view of long-range aircraft and atomic bombs increases. But that is a potentiality, as the President said, we should face with calm planning rather than with panic.

STAT

STAT

Approved For Release 2005/11/28 : CIA-RDP80B01676R001000030023-5



asked that all

this info be filed together

RE WHITE HOUSE CONF. MAYORS.

1

Approved For Release 2005/11/28 : CIA-RDP80B01676R001000030023-5

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO	INITIALS	DATE
1 MR. KIRKPATRICK	<i>[Signature]</i>	15 Feb.
2		
3		
4		
5		

FROM	INITIALS	DATE
1 THE DIRECTOR	A. W. D.	2/11/54
2 <i>A. D. E.</i>	<i>[Signature]</i>	15 Feb.
3		

- | | | |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> APPROVAL | <input type="checkbox"/> INFORMATION | <input type="checkbox"/> SIGNATURE |
| <input type="checkbox"/> ACTION | <input type="checkbox"/> DIRECT REPLY | <input type="checkbox"/> RETURN |
| <input type="checkbox"/> COMMENT | <input type="checkbox"/> PREPARATION OF REPLY | <input type="checkbox"/> DISPATCH |
| <input type="checkbox"/> CONCURRENCE | <input type="checkbox"/> RECOMMENDATION | <input type="checkbox"/> FILE |

Remarks: Please have a look at this. I should like to speak to you about it.

A. W. D.

Kirk
See Ed's note attached

MEMORANDUM FOR: MR. DULLES

As I advised you, your speech at the Mayors Conference has been gone over by Grogan, [] and Kirkpatrick. I have marked with paper clips all of the places wherein you refer to atomic matters. In every instance, however, you refer to Soviet activities in this regard and not the U.S.

WSE

OK file

16 February 1954
(DATE)

FORM NO. 10.101 JAN 1952

(47)

MEMORANDUM FOR: MR. DULLES

Governor Peterson returns your transcript of your talk at the Mayors' Conference and requests a resume with classified matter deleted as you suggested in your letter to him.

He is most anxious to get the resume as soon as possible.

After you have noted, if you approve I will transmit to Stan Grogan for preparation of the resume and a reply for your signature.

WML
WSE

9 February 1954
(DATE)

FORM NO. 10.101 JAN 1952

(47)

TRANSMITTAL SLIP		
<div style="text-align: right;"> <u>Feb 15</u> DATE </div>		
TO: <i>Mr. Sheldon</i>		
BUILDING	ROOM NO.	
<i>Admin</i>		
REMARKS: <i>Thing is working is cleaned up. [redacted] vetted the military figures, changed a couple to make them more accurate. I guess that's that. Ed.</i>		
FROM: [redacted]		
BUILDING	ROOM NO.	EXTENSION
FORM NO. 36-8 SEP 1946		

STAT

STAT